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Citrus

Annual

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Report Highlights: The Brazilian 2000/01 orange crop (MY 2001/02) is forecast at 355 million boxes (MBx.) (40.8 kg), down 41 MBx from last crop, due to weather related problems. The FCOJ production is forecast at 1.085 MMT (65 Brix), down 95,000 tons from previous MY, due to expected lower volume of oranges for processing. FCOJ exports for MY 2001/02 are forecast at 1.85 MMT and carry-over stocks are expected to decrease to 120,000 tons.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
São Paulo [BR3], BR

TABLE OF CONTENTS

Executive Summary

The 2000/01 Brazilian orange crop, marketing year (MY) 2001/02 (July-June), is forecast at 355 MBx (40.8 kg), down 41 MBx from last crop, due to weather related problems. The Agricultural Trade Office (ATO)/São Paulo forecasts frozen concentrated orange juice (FCOJ) production at 1.085 million metric tones (MMT) (65 Brix) down 95,000 tons from the previous MY, due to the expected lower volume of oranges for processing. FCOJ exports for MY 2001/02 are forecast at 1.85 MMT and carry-over stocks are expected to decrease to 120,000 tons.

FRESH ORANGES

Statistical Tables

PSD Table						
Country	Brazil					
Commodity	Fresh Oranges		(HECTARES)(1000 TREES)(1000 MT)			
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Planted	768,300	768,300	804,300	754,300	0	735,300
Area Harvested	717,500	717,500	728,500	697,500	0	678,500
Bearing Trees	198,000	201,000	201,000	198,000	0	195,000
Non-Bearing Trees	15,600	15,600	23,600	18,600	0	18,600
TOTAL No. Of Trees	213,600	216,600	224,600	216,600	0	213,600
Production	17,952	17,952	15,953	16,157	0	14,484
Imports	0	0	0	0	0	0
TOTAL SUPPLY	17,952	17,952	15,953	16,157	0	14,484
Exports	102	102	82	82	0	82
Fresh Dom. Consumption	5,039	5,039	4,855	4,610	0	3,713
Processing	12,811	12,811	11,016	11,465	0	10,689
TOTAL DISTRIBUTION	17,952	17,952	15,953	16,157	0	14,484

Prices Table			
Commodity	Fresh Oranges for Processing		
Prices in	Reais	per uom	40.8 kg box
Year	1999	2000	% Change
Jan	4.18	1.67	-60.05%
Feb	4.53	1.63	-64.02%
Mar	4.46	1.90	-57.40%
Apr	4.46	1.73	-61.21%
May	3.81	2.00	-47.51%
Jun	2.98	1.89	-36.58%
Jul	2.59	1.88	-27.41%
Aug	2.37	1.71	-27.85%
Sep	2.25	1.73	-23.11%
Oct	2.04	1.70	-16.67%
Nov	1.95	1.76	-9.74%
Dec	1.67	2.27	35.93%
Exchange Rate	2.39	Local currency/US $	

Production

PS&D Tables

The following tables provide data for the São Paulo and total Brazilian fresh orange production, supply and demand (PS&D) for MY 1999/2000, 2000/01 and 2001/02 (July-June).

São Paulo: Fresh Oranges PS&D (Jul-Jun) (1,000 ha, million trees & million 40.8 kg boxes)			
Item/Marketing Year	1999/00	2000/01	2001/02
(Bloom/Harvest)	(98/99)	(99/00)	(00/01)
Area Planted	616.0	602.0	583.0
Area Harvested	579.0	559.0	540.0
Bearing Trees	165.0	162.0	159.0
Non-Bearing Trees	12.0	15.0	15.0
Total Trees	177.0	177.0	174.0
Production	395.0	355.0	315.0
Exports	2.5	2.0	2.0
Domestic Consumption	92.5	83.0	58.0
Processing	300.0	270.0	255.0

Brazil: Fresh Oranges PS&D (Jul-Jun) (1,000 ha, million trees & million 40.8 kg boxes)			
Item/Marketing Year	1999/00	2000/01	2001/02
(Bloom/Harvest)	(98/99)	(99/00)	(00/01)
Area Planted	768.3	754.3	735.3
Area Harvested	717.5	697.5	678.5
Bearing Trees	201.0	198.0	195.0
Non-Bearing Trees	15.6	18.6	18.6
Total Trees	216.6	216.6	213.6
Total Production	440.0	396.0	355.0
São Paulo	395.0	355.0	315.0
Others	45.0	41.0	40.0
Exports	2.5	2.0	2.0
São Paulo	2.5	2.0	2.0
Domestic Consumption	123.5	113.0	91.0
Processing	314.0	281.0	262.0
São Paulo	300.0	270.0	255.0
Others	14.0	11.0	7.0

General

The ATO/São Paulo estimate for the total Brazilian 1999/2000 crop (MY 2000/01) has been adjusted to 396 MBx. (40.8 kilogram (kg)), up 5 MBx from the previous estimate. The commercial production area of the state of São Paulo plus the western part of Minas Gerais contributed 355 MBx, while the remaining 41 MBx was produced mainly in the northeastern and southern states. According to information provided by the Institute of Agricultural Economics (IEA) of the São Paulo State Secretariat of Agriculture, the final estimate for the state of São Paulo 1999/2000 crop is approximately 355.9 MBx. Note that the IEA estimate takes into account the entire state of São Paulo, while the ATO estimate considers only the commercial area of the state plus the western part of Minas Gerais.

The ATO/São Paulo forecast for total Brazilian orange production for 2000/01 (MY 2001/02) is 355 MBx, down 10 percent from last MY. The commercial area of the state of São Paulo plus the western part of Minas Gerais is expected to produce 315 MBx., an 11 percent decrease compared to the previous crop. The remainder should be provided by other producing regions.

One major large blossoming occurred in the states of São Paulo and Minas Gerais during September 2000. Fruit set, however, was damaged by the drought that prevailed in the producing regions during October and November, thus resulting in an expected production decrease. The second and third flowerings were sporadic and non-uniform, as opposed to the previous crop, and should not result in a significant volume of oranges. In addition, depressed orange prices in the domestic market led to below average crop management, further contributing to expected lower production. The steady rainfall that occurred during the past couple of months is also likely to result in fruit splitting.

According to information from post contacts, the MY 2000/01 crush ended in April as a result of the third flowering, which extended the harvest season. With regard to the MY 2001/02 crushing season, processing plants started operations in early June. The length of the MY 2001/02 crushing season is expected to be shorter than last year, a result of only one major flowering, and should end in November/December.

The IEA recently released the results of the fourth citrus crop survey (April 2001) for the 2000/01 crop. The 2000/01 São Paulo crop, for both commercial and non-commercial areas, is estimated at approximately 336.2 MBx, down 2 percent from the previous forecast after the third survey (February 2001).

Crop Area and Tree Population

Total Brazilian orange area for MY 2000/01 is estimated at 754,300 hectares (ha.), down 6 percent from the previous estimate. The commercial area in the states of São Paulo and Minas Gerais contributed 602,000 ha. to total orange area. This reduction is related to a revised estimate in the tree inventory, as well as in tree density for those commercial areas. The number of orange trees per hectare has increased during the past few years. New groves coming into production have been planted at a ratio of 320 to 400 trees per ha. In addition, the eradication of old bearing trees planted under lower density systems has also contributed to increasing the average number of orange trees per ha. For the MY 2000/01 season, the average number of trees per hectare was set at 290, up 5 plants per hectare relative to the previous crop.

Total orange area for MY 2001/02 is forecast at 735,300 ha., a further 3 percent reduction from the current season. The tree density estimate for the upcoming MY for the São Paulo commercial area is placed at 294

trees per hectare, up 5 trees compared to MY 2000/01.

ATO/São Paulo estimates the total MY 2000/01 Brazilian tree inventory stable at 216.6 million trees – 198 million bearing trees and 18.6 million non-bearing trees. The commercial citrus area of the states of São Paulo and Minas Gerais account for 162 bearing trees and 15 million non-bearing trees. The bearing tree estimate represents a 2 percent reduction compared to both the previous estimate for the current crop and the revised estimate for MY 1999/2000. The non-bearing tree estimate is down 5 million trees relative to the former estimate for MY 2000/01, but up 3 million trees from the previous MY.

The MY 2001/02 tree inventory is forecast at 195 million bearing trees and 18.6 million non-bearing trees. There is no current industry update regarding tree inventory for the commercial areas of the states of São Paulo and Minas Gerais. Industry estimates are done based on the 1995 Fundecitrus (São Paulo State Fund for the Defense of Citriculture) database. As reported by the IEA in the April 2001 crop survey, the orange tree inventory for the state of São Paulo for MY 2001/02 is estimated at 203 million trees (185 million bearing trees and 18 million non-bearing trees).

According to post contacts, many orange groves were eradicated last season as a consequence of two successive years of low producer orange prices, poor crop management, and disease related problems. Industry contacts report that approximately 25,000 to 30,000 ha. of citrus land shifted to sugarcane, stimulated by the good prices paid for cane. Industry contacts also report that citrus eradication is likely to continue in 2001, although the increase in orange prices (see Prices for Producers) might somewhat restrain the process.

As reported by Fundecitrus, a total of 1,850 nurseries were inspected in March 2001. The results show that 1,749 inspected nurseries were in operation. Unprotected nurseries in which seedlings are kept without screened enclosures still represent 91 percent of total nurseries in operation. The number of inspected seedlings amounted to 15,609,070 – 13,465,881 seedlings from unprotected nurseries and 2,143,189 seedlings from protected nurseries.

According to official rules established by the São Paulo State Secretariat of Agriculture, as of January 2001 new citrus nurseries should be protected with screened enclosures in order to qualify for the business permit from the Secretariat. The rules also indicated that, effective January 2003, no marketing nor transportation of citrus seedlings will be allowed if they come from unprotected nurseries. Thus, all commercial nurseries will have to have screened enclosures to operate. Protected nurseries are fundamental to avoid citrus diseases such as CVC, canker, etc.

Yields

Post estimates the 1999/2000 Brazilian crop yield (MY 2000/01) at 2 boxes per tree, up 3 percent from the previous estimate. The forecast for the total MY 2001/02 Brazilian orange crop yield is placed at 1.82 boxes per tree, down 9 percent from last crop. Unfavorable weather (drought) that affected the fruit set due to flower and fruit abortion, declining crop management and disease related problems are the major influencing factors. Field observations show that there are less fruits per tree relative to the previous crop and that the size of the fruit is larger. The quality of the crop is expected to be good since the single major flowering was uniform.

Diseases

The tables below show the evolution of citrus canker for 2000 and 2001, as reported by Fundecitrus. Cumulative eradication for commercial groves (blocks) reached 990,000 trees in 2000 and 177,500 trees for 2001 (Jan.-Apr.). Cumulative eradication for non-commercial groves reached 65,500 and 40,700 trees for 2000 and 2001 (Jan.-Apr.), respectively. According to the April 2001 citrus canker sampling survey, 0.083 percent of the sampled blocks show citrus canker, as opposed to 0.70 and 0.27 percent for 1999 and 2000, respectively. This indicates statistically that approximately 75 blocks out of the 90,000 blocks registered by Fundecitrus are infected by citrus canker. According to Fundecitrus, close to 55 blocks have already been identified by technicians. The institution has consistently continued citrus canker inspections in the commercial areas of the states of São Paulo and Minas Gerais to locate new canker affected blocks. In addition, it has extended inspections to non-commercial areas in southern São Paulo bordering the state of Paraná.

Evolution of Citrus Canker in the State of São Paulo, 2000 and 2001

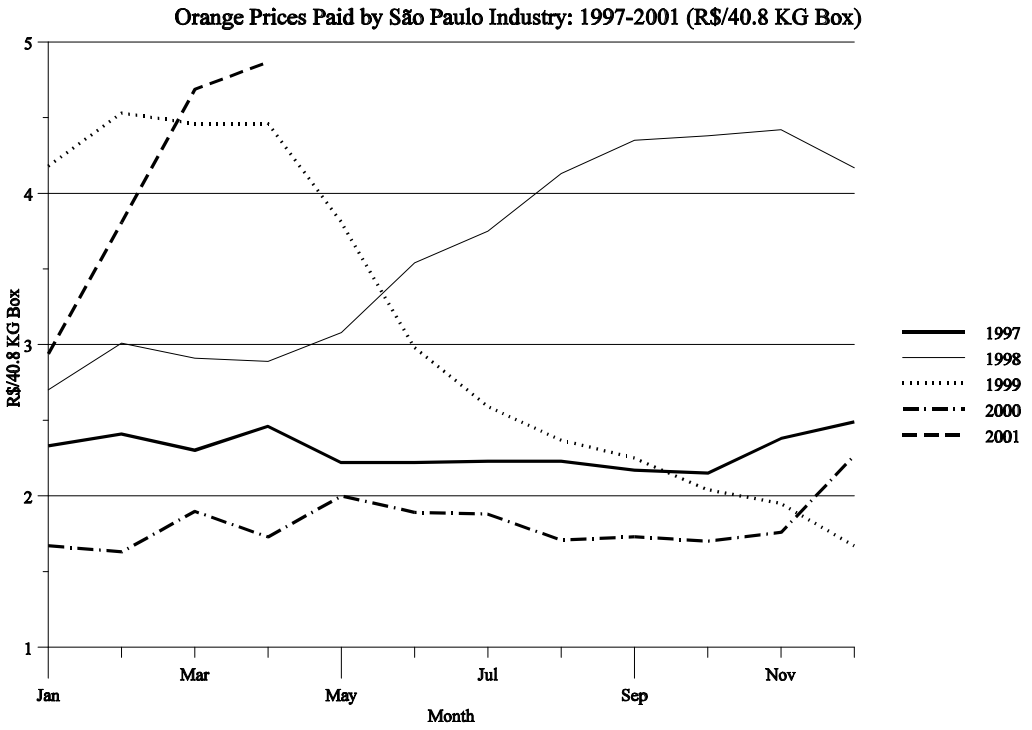
	Block				Domestic Grove				Nurseries		
2000 Month	New	Reconta mination	Total	Plants Eradic.	New	Reconta mination	Total Eradic.	Plants	New	Total	Plants Eradic.
January	45	148	193	85,892	1	1	2	21,423	2	2	41,700
Feb.	56	143	199	81,825	19	10	29	6,668	2	2	3,909
March	69	138	207	67,540	2	4	6	1,813	0	0	0
April	48	108	156	131,022	0	5	5	2,155	0	0	0
May	68	117	185	96,145	26	8	34	2,281	2	2	100,000
June	57	101	158	49,748	22	16	38	4,075	0	0	504
July	27	78	105	72,931	25	6	31	3,981	0	0	0
August	26	57	83	83,039	20	1	21	5,223	0	0	0
Sep.	23	34	57	127,267	51	6	57	4,719	0	0	0
October	13	35	48	92,085	62	11	73	2,955	0	0	0
Nov.	26	42	68	56,577	36	4	40	4,055	0	0	0
Dec.	23	44	67	46,316	143	18	161	6,140	0	0	0
Total	481	1,045	1,526	990,387	407	90	497	65,488	6	6	146,113
2001 Month	New	Reconta mination	Total	Plants Eradic.	New	Reconta mination	Total	Plants Eradic.	New	Total	Plants Eradic.
January	14	40	54	19,099	279	37	316	32,084	1	1	0
Feb.	23	47	70	56,225	70	6	76	2,118	0	0	12,000
March	22	55	77	45,263	18	3	21	3,108	0	0	0
April	13	50	63	56,957	21	9	30	3,456	0	0	0
Total	72	192	264	177,544	388	55	443	40,766	1	1	12,000

Source: São Paulo State Fund for Defense of Citriculture (FUNDECITRUS).

Prices for Producers

The graphs below show average monthly producer prices 1997 through April 2001 from both processing and the

fresh market, as reported by IEA. Prices for processing are for fruit delivered to an orange juice plant, whereas prices for the fresh market are those received from packing houses. Note the sharp increase in prices as of Nov./Dec. 2000 due to the expected lower availability of the product for MY 2001/02. According to the industry, new orange contracts have been set at US$3.0 - 3.5 per box as opposed to contracts set in 2000 at US$2.0 - 2.5 per box, reflecting the lower availability for the new crop.

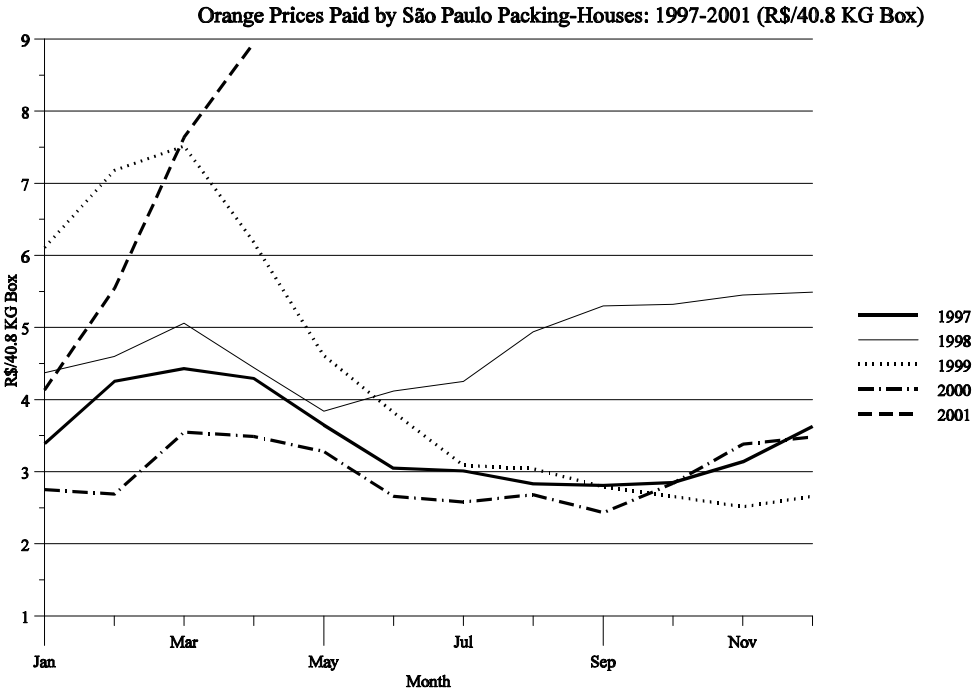


1/ Deflator: IGP-DI (July 1998) of Fundacao Getulio Vargas.
Source: Institute of Agricultural Economics (IEA), São Paulo State Sec. of Ag.

Consumption

Post places the MY 2001/02 domestic consumption forecast at 91 MBx, down 22 MBx from the revised estimate for MY 2000/01 due to an expected lower availability of fruit and the steady crushing demand for oranges. Note that this figure includes actual domestic consumption plus losses from natural drop, harvesting, hauling and packing, and fruit delivered to processors for not from concentrated orange juice (NFC) production. Domestic consumption estimates are taken as the difference between production estimates and the volume of oranges delivered to processors.

According to post contacts, orange growers have a marginal interest in the domestic fresh fruit market. Many challenges have to be addressed, including the need to gain credibility and to strength the relationship with clients/consumers, and the need to standardize production to meet consumer demand.



1/ Deflator: IGP-DI (July 1998) of Fundacao Getulio Vargas.
Source: Institute of Agricultural Economics (IEA), São Paulo State Sec. of Ag.

According to producers that operate in the fresh domestic market selling 5 kg bags directly to supermarkets, that market is highly competitive, controlled by a few large-size supermarket chains which have the power to set prices. Thus, most orange producers are price takers. Prices are low compared to prices they get when selling to packing houses, but the risk of default is minimum. The level of investment made by producers is low and the market is cyclic which represents a major problem due to the unbalance between orange supply and demand.

Regarding the domestic market for ready to drink juices, represented by NFC, reconstituted orange juice and nectars sold directly to supermarkets, orange producers attempting to enter the market also have low bargaining power since there are a few buyers and some strong brands are already established in the market. The volume of investments to operate in this market is high and costs related to marketing and promotion are high as well. The increasing growth of private labels is also a trend for the domestic market.

Post contacts report that the domestic market for small juice extractors is stable and mature. Many small companies have gone out of business and currently the market is controlled by 2 or 3 major companies. Major niches for these small extractors are large supermarket chains, such as Carrefour and Extra, hotels chains and industrial kitchens. The major competitor for fresh squeezed juice originated from these small extractors is the pasteurized orange juice, as both compete for quality.

According to a survey conducted by Tetrapak among orange juice consumers, the taste of the product is the major decision factor related to the purchase of the product, followed by the price and the brand name. Lower consumption was found among low income, young people, whereas high consumption was reported among high income women between 40 to 54 years old. In addition, only 1 percent of the orange juice consumers replace the processed product with juice from fresh fruit.

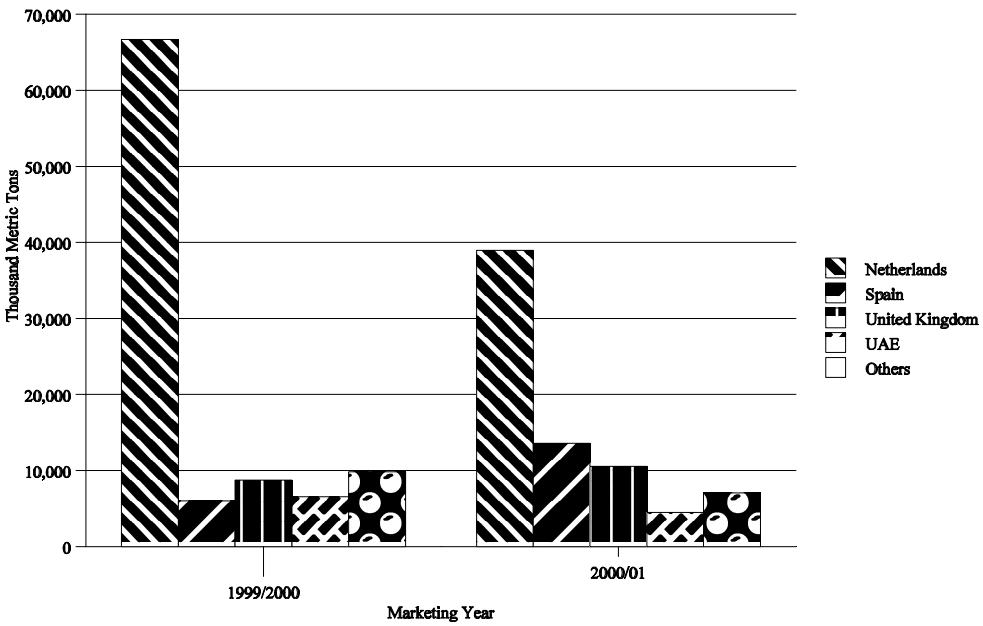
Trade

Exports

ATO/São Paulo estimates MY 2001/02 orange exports at 2 MBx similar to current season exports. The table below shows official fresh orange exports (NCM 0805.10.00) by country of destination for MY 1999/2000 and 2000/01 (Jul.-Apr.), as reported by the Brazilian Secretariat of Foreign Trade (SECEX). The graph below shows fresh orange exports to major destinations for MY 1999/2000 and 2000/01, according to SECEX. Note that MY 1999/2000 (Jul.-Jun.) exports can be found in BR0025.

Destination	MY 1999/00 1/		MY 2000/01 1/	
	Quantity	Value	Quantity	Value
Netherlands	66,689	12,907	38,954	7,953
United Kingdom	8,724	1,670	10,574	1,662
U.A.E.	6,555	1,449	4,489	983
Spain	6,024	1,367	13,580	2,939
Portugal	5,145	1,367	834	194
Russia	3,014	832	855	171
Kuwait	1,438	296	1,376	297
Switzerland	0	0	3,341	567
Others	241	83	675	178
Total	97,830	19,972	74,678	14,943
Source: Brazilian Department of Foreign Trade (SECEX), NCM 0805.10.00				
1/ July to April.				

Fresh Orange Exports by Destination: MY 1999/2000 and 2000/01 (Jul-Apr, TMT)



Source: SECEX

FCOJ

Statistical Table

PSD Table						
Country	Brazil			65 Degrees Brix		
Commodity	Juice, Orange				(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Deliv. To Processors	12811	12811	11016	11465	0	10689
Beginning Stocks	263000	263000	312000	312000	244000	236000
Production	1360000	1360000	1106000	1180000	0	1085000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1623000	1623000	1418000	1492000	244000	1321000
Exports	1295000	1295000	1156000	1240000	0	1185000
Domestic Consumption	16000	16000	18000	16000	0	16000
Ending Stocks	312000	312000	244000	236000	0	120000
TOTAL DISTRIBUTION	1623000	1623000	1418000	1492000	0	1321000

Production

PS&D Tables

The following tables provide PS&D data for the state of São Paulo and total Brazilian FCOJ for MY 1999/2000, 2000/01 and 2001/02 (July-June).

São Paulo: FCOJ PS&D (Jul-Jun) (Million 40.8 kg boxes, TMT, 65 degrees Brix)			
Item/Marketing Year	1999/00	2000/01	2001/02
(Bloom/Harvest)	(98/99)	(99/00)	(00/01)
Delivered to Processors	300.0	270.0	255.0
Beginning Stocks	263.0	312.0	236.0
Production	1,310.0	1,140.0	1,060.0
Total Supply	1,573.0	1,452.0	1,296.0
Exports	1,245.0	1,200.0	1,160.0
Domestic Consumption	16.0	16.0	16.0
Ending Stocks	312.0	236.0	120.0
Total Distribution	1,573.0	1,452.0	1,296.0

Brazil: FCOJ PS&D (Jul-Jun) (Million 40.8 kg boxes, TMT, 65 degrees Brix)			
Item/Marketing Year	1999/00	2000/01	2001/02
(Bloom/Harvest)	(98/99)	(99/00)	(00/01)
Delivered to Processors	314.0	281.0	262.0
São Paulo	300.0	270.0	255.0
Others	14.0	11.0	7.0
Beginning Stocks *	263.0	312.0	236.0
Total Production	1,360.0	1,180.0	1,085.0
São Paulo	1,310.0	1,140.0	1,060.0
Others	50.0	40.0	25.0
Total Supply	1,623.0	1,492.0	1,321.0
Exports	1,295.0	1,240.0	1,185.0
São Paulo	1,245.0	1,200.0	1,160.0
Others	50.0	40.0	25.0
Domestic Consumption	16.0	16.0	16.0
Ending Stocks	312.0	236.0	120.0
Total Distribution	1,623.0	1,492.0	1,321.0
* São Paulo stocks.			

General

Post estimates the MY 2000/01 total Brazilian FCOJ production at 1.18 million metric tons (MMT), 65 Brix, down 180,000 tons from last season due to the lower volume of oranges for processing. The FCOJ production for the state of São Paulo amounted 1.14 MMT, 65 Brix, up 70,000 MT from the previous estimate. Total oranges delivered for processing for MY 2000/01 has been revised upward to 281 MBx, a 4 percent increase compared to the former figure. The commercial area of the states of São Paulo and Minas Gerais contributed 270 MBx of oranges, up 10 MBx from the previous estimate, as some processing plants operated through March and April crushing oranges from the third flowering that occurred during the 1999/2000 crop.

ATO/São Paulo forecasts total Brazilian FCOJ production for MY 2001/02 at 1.085 MMT, 65 Brix, down 95,000 mt from this MY, due to the expected lower volume of oranges for processing. The São Paulo processing plants are likely to provide 1.06 MMT of FCOJ, 65 Brix, coming from 255 MBx of oranges. The processing season started in early June and should end in November and December.

According to the Brazilian Association of Citrus Exporters (ABECITRUS), the association has "temporarily" discontinued the weekly release of FCOJ production, domestic consumption, export and stock figures, indicating technical problems for the change in procedure.

The FCOJ industry in Brazil is highly concentrated and just a few companies are expected to operate in MY 2001/02. Post contacts report that smaller companies, such as Branco Peres and Kiki, are not expected to crush oranges this upcoming season. It was also reported that Cargill will not operate in their Uchoa plant with all processing directed to the Bebedouro facility.

Brazil is presently in the midst of a critical electrical energy shortage. Several years of low rainfall is hampering the local hydro-electric system, which supplies over 90 percent of the country's electricity. The only near-term solution is conservation. Regarding the food industry, the Government of Brazil (GOB) has called for a 15 percent reduction in use from the May-July 2000 average through the remainder of the winter dry season and has threatened significant surcharges and service cuts to enforce the needed cuts. It is hoped that the rainy season, which normally begins in November over much of Brazil, will bring relief. Longer-term solutions, such as investment in alternative generation options, are under review.

According to industry contacts, the energy shortage could affect both FCOJ processing and storage at the plant and at the port. The FCOJ plants were able to set an agreement with the GOB and the 15 percent reduction will be based on the months they fully operate and not on the GOB mandated average consumption of May-July 2000, when they were closed or only partially operating. Each company will have the freedom to share the energy they are aloud among their plants or even sell part of their quota to other companies.

Consumption

ATO/São Paulo forecasts the MY 2001/02 domestic FCOJ consumption stable at 16,000 metric tons, 65 Brix. Post contacts report that the retail market for orange juice is controlled by a few large supermarket chains which have a significant bargaining power over suppliers. In addition, supermarkets charge different taxes and fees to allow suppliers to have their products on the shelves. In addition, ready to drink orange juice is price competitive relative to concentrated orange juice. A one liter can of concentrated orange juice is about R$6-8

and yields 7-8 liters of juice ready to drink, while one liter of ready to drink juice costs R$2-2.5. Although less cost efficient, many orange juice consumers are willing to spend R$2-2.5 instead of R$6-8 because this represents a lower initial expense.

The Brazilian electric energy shortage may also affect future consumption of FCOJ, since Brazilian families are also required to cut 20 percent of their May-July 2000 average energy consumption. Many householders are unplugging their freezers in order to reach their 20 percent reduction goal and this could eventually lead to a decrease in local FCOJ consumption. In addition, if orange juice companies have to lease or purchase energy generators powered by diesel, there will be an increase in production costs which will be at least partially transferred to consumers.

Trade

Exports

ATO/São Paulo has revised total Brazilian FCOJ exports for MY 2000/01 to 1.24 MMT, 65 Brix, up 84,000 tons from the previous figure, based on recent information provided by post contacts. FCOJ exports from São Paulo production is estimated at 1.2 MMT, 65 Brix, while the remainder should come from other producing states, such as Paraná and Sergipe. According to post contacts, May and June are not strong months for FCOJ exports since many small processing plants have already shipped their production and many companies hold stocks to blend with early orange juice from the upcoming season. Post forecasts the MY 2001/02 total Brazilian FCOJ exports at 1.185 MMT, 65 Brix, down 4 percent compared to previous crop, due to the expected lower availability of fruits for processing. Recently, the GOB has allowed orange juice companies to ship product abroad on a consignment basis.

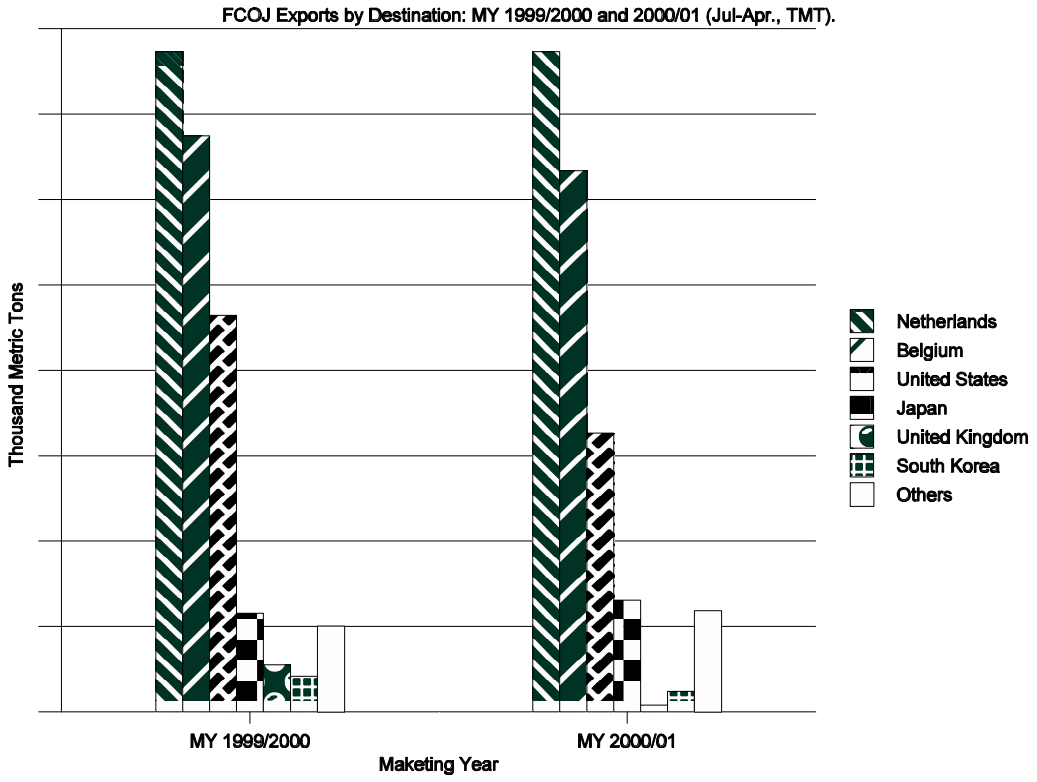
As reported by the industry, FCOJ prices in April 2001 were set at US$630 per metric ton for shipments to Europe. Current FCOJ prices for shipments to Europe are set at US$700-800. However, during the second half of 2000, many export contracts were set at US$600-650 for shipment within 2 years.

According to ABECITRUS, orange juice consumption is increasing worldwide, however at different paces. American orange juice consumption is increasing at the vegetative growth rate. The Asian market is also increasing, with changing consumer habits the major obstacle. The demand in Russia, China and South America show slow growth, while the demand in Europe is increasing at a 3 percent annual rate.

In spite of increasing demand worldwide, the orange juice market is increasingly competitive as a consequence of higher production in the U.S. and Spain, as well as the entry of new producing countries such as Caribbean countries and Cuba. In addition, the competition from other juices, regional agreements which favor the entry of orange juice from countries other than Brazil into the U.S. and Europe, and the devaluation of the Euro also pose constraints to Brazilian orange juice sales.

The table and graph below show official frozen orange juice exports (NCM 2009.11.00) by country of destination for MY 1999/2000 and 2000/01 (Jul.-Apr.), as reported by the Brazilian Secretariat of Foreign Trade (SECEX). Note that MY 1999/2000 (Jul.-Jun.) exports can be found in BR0025.

Frozen Concentrated/Non-Concentrated Orange Juice Exports (MT and US$ 1,000 FOB).				
Destination	MY 1999/00 1/		MY 2000/01 1/	
	Quantity	Value	Quantity	Value
Netherlands	386,549	388,973	386,559	271,150
Belgium	337,276	331,788	316,819	216,236
United States	232,067	214,566	163,223	111,604
Japan	57,723	55,760	65,510	48,295
United Kingdom	27,545	27,263	3,957	2,486
South Korea	20,782	20,920	12,132	9,063
Australia	11,999	11,946	16,572	11,332
Puerto Rico	8,315	9,972	7,348	6,716
Argentina	4,071	4,537	5,464	4,552
New Zealand	3,046	3,176	4,764	3,727
China	1,288	1,430	3,744	2,667
Others	21,577	22,576	21,242	15,500
Total	1,112,236	1,092,909	1,007,336	703,327
Source: Brazilian Department of Foreign Trade (SECEX), NCM 2009.11.00. 1/ July to April.				



Stocks

Orange juice ending stocks for MY 2000/01 are estimated at 236,000 tons, 65 Brix, down 8,000 tons from the previous estimate. ATO/São Paulo forecasts FCOJ ending stocks for MY 2001/02 down at 120,000 tons, 65 Brix, due to expected lower FCOJ production and projected steady exports. Note that these figures do not include FCOJ stored in processors' offshore tanks and in transit. Unofficial estimates for total Brazilian FCOJ stocks worldwide are approximately 700,000 and 400,000 tons, 65 Brix, for MY 2000/01 and 2001/02, respectively.

NFC

There is no official estimate for NFC supply and demand in Brazil. According to updated information provided by industry contacts, approximately 12 MBx of oranges have been crushed for MY 2000/01. These include 8 MBx crushed for the domestic market – 3 MBx. for pasteurized production and 5 MBx for fresh squeezed production – and 4 MBx crushed for exports. Note that oranges for NFC production are taken from oranges for domestic consumption and are not included in the FCOJ PS&D Table. The figures previously reported in BR0025 were overestimated by the market.

Recent information from post contacts report that companies which export chilled NFC use the NCM 2009.19.00 category, "Other Orange Juice", to register their exports with SECEX, while all frozen NFC exported are registered as NCM 2009.11.00, "Frozen Orange Juice". Please see BR0025 for additional information.

The table below shows "Other Orange Juice" exports by country of destination for calendar years 1999 and 2000 and for MY 1999/2000 and MY 2000/01 (Jul.-Apr.), as reported by SECEX.

Brazilian Orange Juice Exports, Others (MT and US$ 1,000 FOB).								
Destination	1999		2000		MY 1999/00 1/		MY 2000/01 1/	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Belgium	484	107	21,016	4,970	484	107	48,193	11,085
United States	0	0	19,272	4,528	0	0	19,272	4,528
Argentina	5,947	2,906	6,620	3,268	5,139	2,528	6,465	3,244
Netherlands	1,813	726	4,646	1,190	2,554	939	5,345	1,290
Chile	271	132	352	172	250	122	352	172
Uruguay	103	82	177	137	125	93	154	120
Puerto Rico	41	17	172	69	150	61	42	17
Paraguay	9	5	66	36	26	15	40	21
Japan	4	2	16	7	6	4	16	7
Others	0	1	23	14	1	4	40	13
Total	8,671	3,978	52,359	14,390	8,734	3,872	79,919	20,498
Source: Brazilian Department of Foreign Trade (SECEX), NCM 2009.19.00. 1/ July to April.								

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)					
Month	1997	1998	1999	2000	2001
January	1.05	1.12	1.92	1.80	1.97
February	1.05	1.13	2.03	1.77	2.04
March	1.06	1.14	1.77	1.75	2.16
April	1.06	1.14	1.66	1.81	2.22
May	1.07	1.15	1.72	1.82	2.36
June	1.08	1.16	1.77	1.80	--
July	1.08	1.16	1.79	1.78	--
August	1.09	1.18	1.81	1.82	--
September	1.10	1.19	1.92	1.84	--
October	1.10	1.19	1.95	1.91	--
November	1.11	1.20	1.92	1.98	--
December	1.12	1.21	1.79	1.96	–

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